State:	District of Columbia	**First Filing Company:**	Arch Mortgage Insurance Company, ...
TOI/Sub-TOI:	06.0 Mortgage Guaranty/06.0000 MG Sub-TOI Combinations		
Product Name:	014.18 ARCH		
Project Name/Number:	/		

Filing at a Glance

Companies:	Arch Mortgage Insurance Company Arch Mortgage Guaranty Company
Product Name:	014.18 ARCH
State:	District of Columbia
TOI:	06.0 Mortgage Guaranty
Sub-TOI:	06.0000 MG Sub-TOI Combinations
Filing Type:	Rule
Date Submitted:	05/04/2018
SERFF Tr Num:	PMGP-131483617
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	014.18 ARCH RATESTAR RATING RULES AND DEFINITIONS
Effective Date Requested (New):	05/18/2018
Effective Date Requested (Renewal):	
Author(s):	Penny Trivette, Meghan Gaier
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

General Information

Project Name:
Project Number:
Status of Filing in Domicile: Pending
Domicile Status Comments: This filing is being made simultaneously in Wisconsin, domiciliary state to both Arch Mortgage Insurance Company and Arch Mortgage Guaranty Company and nationwide, so the filing is still pending.
Reference Organization:
Reference Number:
Reference Title:
Advisory Org. Circular:
Filing Status Changed: 05/04/2018
State Status Changed:
Deemer Date:
Created By: Penny Trivette
Submitted By: Penny Trivette
Corresponding Filing Tracking Number:

Filing Description:
In this filing, we are proposing two items for the RateStar rating plan:
1.Introduction of the split payment option in RateStar
2.Clarification of previous statements regarding RateStar's use
Please see the Explanatory Memo for detail on each of these items.

Company and Contact

Filing Contact Information

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Filing Company Information

Arch Mortgage Insurance Company
Legal Department
230 N. Elm Street
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(800) 334-8966 ext. 7809[Phone]
CoCode: 40266
Group Code: 1279
Group Name: Arch
FEIN Number: 36-3105660
State of Domicile: Wisconsin
Company Type: Mortgage Guaranty Insurance
State ID Number:

Arch Mortgage Guaranty Company
Legal Department
230 N. Elm Street
Greensboro, NC 27401
(800) 334-8966 ext. 7809[Phone]
CoCode: 18732
Group Code: 1279
Group Name: Arch
FEIN Number: 39-1080973
State of Domicile: Wisconsin
Company Type: Mortgage Guaranty
State ID Number:

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

Rate Information

Rate data does NOT apply to filing.

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		RateStar Rating Rules and Definitions	ARCH-RS-1-3 (05/18)	Replacement	PMGP-131305999	ARCH RS Rating Rules and Definitions (0518).pdf

ARCH MORTGAGE INSURANCE COMPANY, ARCH MORTGAGE GUARANTY COMPANY

1) **DEFINITIONS**
   a) **BASE RATES:** Base rates apply to all loans. Other rate adjustments may apply based on credit, loan or property characteristics.
   b) **FIXED RATE MORTGAGES:** Featured level rates for at least the first five years. All acceptable plans must have the initial payment rate equal to or greater than the initial accrual rate, and have no temporary buydowns, negative amortization, rate concessions, balloon payments, or mortgages with graduated payment features.
   c) **BORROWER-PAID MORTAGE INSURANCE (BPMI):** Premiums are paid by the borrower with borrower funds.
   d) **LENDER-PAID MORTGAGE INSURANCE (LPMI):** Premiums are paid by the lender with lender funds.
   e) **AMORTIZATION TERM:** 30 Year term mortgages must fully amortize over a period greater than 20 years and not more than 40 years. Mortgages with a term of 20 years or less must fully amortize over a maximum of 20 years.
   f) **CREDIT UNION:** Credit unions and other lender types that exhibit risk attributes or mortgage risk performance substantially similar to credit unions.
   g) **RATING LOCATION:** The availability of RateStar is based on lender location.

2) **RATE ADJUSTMENTS**
   a) **JUMBO:** Loans where the loan amount exceeds the Fannie Mae/Freddie Mac defined General High-Cost Loan Limit for First Mortgages in the Contiguous States for a 1-unit property as published, annually, by either Fannie Mae or Freddie Mac and is less than or equal to $1,000,000.
   b) **SUPER JUMBO:** Loan Amounts >$1,000,000
   c) **3-4 UNIT OWNER-OCCUPIED PROPERTIES:** For mortgages secured with 3-4 unit owner-occupied properties. In-lieu of this surcharge, only an investor surcharge is applied to non-owner occupied properties.
   d) **CORPORATE RELOCATION:** To qualify for Relocation rates, must meet current Arch MI's guidelines for employee relocation mortgages at the time the loan is originated.
   e) **MANUFACTURED HOUSING:** A multi-sectioned home built on a permanent frame (chassis) with a removable transportation system that is delivered and permanently attached to a site-built foundation.
   f) **NON-FIXED RATE MORTGAGES:** Feature rate changes or the potential for rate changes. Included are adjustable rate mortgages, blended ARM / fixed mortgages, rate concessions, balloons and buydowns. Mortgages featuring potential or scheduled negative amortization are not eligible.

g) **WHOLESALE LOANS:** Loans originated by third-party originators through their wholesale channel. Such loans are generally not funded or closed in the name of the originating lender.

h) **MULTIPLE FACTOR ADJUSTMENTS**: For certain combinations of risk characteristics where a loan would receive more than one adjustment, the multi-factor adjustment applies in addition to the individual adjustments to reflect the interaction between the risk factors.

3) **PAYMENT PLAN TYPES**

a) **MONTHLY PREMIUM**

CONSTANT RENEWAL: The monthly rate is applied to the ORIGINAL loan balance from policy inception through year 10. The constant renewal rate for years 11 through term is the lower of the original premium rate or 20 basis points (0.20%). The rate is reduced to 0.17% for Credit Union Plans.

AMORTIZED RENEWAL: Monthly rate is applied to the outstanding loan balance from coverage inception through term.

PAYMENT CALCULATION: Divide the Annualized Monthly Rate by 12, multiply the result by the insured loan balance and round to the nearest cent.

REFUNDS: Refunds may be applicable if coverage is cancelled or terminated under the Federal Homeowners Protection Act of 1998, and will be processed in accordance with the Act. For all other cancellations or terminations, there is no refund.

b) **SINGLE PREMIUM:** One time, up-front premium payment which, if borrower-paid, may be financed into the mortgage loan. Lender-paid premium is not eligible for financing. Borrower-paid single premium plans provide coverage until cancelled or up to the date when scheduled amortization reaches 78% of original value in accordance with the Homeowner's Protection Act of 1998.

REFUNDS: Refunds may be applicable if coverage is cancelled or terminated under the Federal Homeowners Protection Act of 1998, and will be processed in accordance with the Act. For all other cancellations or terminations, there is no refund.

c) **SPLIT PREMIUM:** Combines a one-time up front premium with a monthly renewal premium that continues until the termination of the insured loan. A split renewal rate is calculated so that the RateStar monthly rate times the expected duration equals the one-time upfront rate plus the split renewal rate times the expected duration.

ARCH MORTGAGE INSURANCE COMPANY, ARCH MORTGAGE GUARANTY COMPANY

4) RATES FOR ADDITIONAL COVERAGE OPTIONS

A lender may request a coverage option that is not currently offered. The rate will be determined using the formulas below, rounded to the nearest basis point:

a) Requested coverages that fall between or below* displayed coverages:
   Rate = (((Requested Coverage - Lower Coverage)/(Higher Coverage - Lower Coverage)) x (Higher Rate - Lower Rate) + Lower Rate)
   Example: Lender Paid Single Premium Plan, 95% LTV Fixed Loan, 740 FICO, needs 29% coverage

Coverage	Premium Rate
30	215
29	205 = ((29-25)/(30-25)) x (215-165) + 165
25	165

   **For requested coverages that fall below lowest displayed coverage, use the last two displayed coverage options and rates for the high and low values*.

b) Requested coverage is higher than the displayed coverage:
   Rate = (Requested Coverage /Highest Displayed Coverage) x Highest Displayed Rate
   Example: Lender Paid Single Premium Plan, 95% LTV Fixed Loan, 740 FICO, needs 40% coverage

Coverage	Premium Rate
40	288 = (40/35) x 252
35	252

5) RATE MODIFICATION CHARACTERISTICS

The rates in this schedule, after premium rate adjustments, may be adjusted by a maximum of +/- 25%. The premiums charged may vary within the proposed range, depending on the following risk characteristics. This rate modification may be applied on a blended basis or loan level basis.

a) **Borrower Credit Quality Characteristics:** Includes factors affecting the creditworthiness of the borrower that are not fully captured by existing rating factors.
b) **Loan Characteristics:** Includes factors affecting the quality, risk and structure of the underlying loan instruments that are not fully captured by existing rating factors.
c) **Property Characteristics:** Includes factors relating to the property securing the underlying loan instruments that are not fully captured by existing rating factors.
d) **Lender Characteristics:** Includes factors pertaining to the practices and capabilities of loan originators and servicers that are not fully captured by existing rating factors.
e) **Expense Characteristics:** Includes factors relating to expenses for acquisition, servicing, loss adjustment, taxes or other sources that are not fully captured by existing factors.

Supporting Document Schedules

Bypassed - Item:	Consulting Authorization
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (P&C)
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Explanatory Memorandum and Exhibits
Comments:	Attached please find Arch MI's memorandum and exhibits providing details and support for the proposed rate filing.
Attachment(s):	Explanatory Memorandum and Exhibits_5.18.2018.pdf
Item Status:	
Status Date:	

Explanatory Memorandum

Purpose of Filing
In this filing, we are proposing two items:

1. Introduction of the split payment option in RateStar
2. Clarification of previous statements regarding RateStar's use

Item 1: Introduction of the Split Payment Option in RateStar

We are introducing a split payment option for RateStar. The split payment option combines a one-time up front premium with a monthly renewal premium that continues until the termination of the insured loan. A new rating rule provides the derivation of these rates.

Item 2: Clarification of Previous Statements Regarding RateStar's Use

The purpose of this memo is to clarify a statement provided in Arch's risk-based pricing (RateStar) filing. In the memo, we specified that Arch MI's lender-customers will be required to use either the RateStar plan rates or the Standard Rate schedules for all policies. While RateStar has been adopted by many of our lender-customers, some have not been able to adopt the program because of business and operational aspects particular to each of these customers. We are therefore making this filing in order to permit Arch MI's lender-customers to elect either RateStar or the Standard Rate schedule based on payment type (e.g., LPMI single, BPMI single, BPMI monthly, etc.).

For background, RateStar is Arch's risk-based pricing rating plan and is more sophisticated than the Standard Rate schedules, which are a simple table of rates by loan-to-value (LTV) and FICO (commonly referred to as rate cards). Due to the nature of the RateStar's algorithm, there are many potential rates available – depending on the unique risk characteristics of a particular borrower and loan. Conversely, the standard rate schedule is a one page grid of rates containing just a few hundred base rates. In some situations, our lender-customers have requested the simplicity of the rate card structure by product type.

For example, our lender-customers may process mortgage insurance differently for Lender Paid Mortgage Insurance (LPMI) and Borrower Paid Mortgage Insurance (BPMI). The premium for a BPMI monthly policy is passed directly along to the borrower and included in their monthly payment. The premium for a LPMI single policy is paid by the lender, but the lender increases the borrower's interest rate to account for this cost. The adjustment applied to the interest rate is often determined at the lender's home office level, not by each individual loan officer. For this reason, the lender needs a way to simply communicate to their loan officers the appropriate interest rate adjustment to apply to a loan. This is often done through a grid showing the adjustment by loan-to-value (LTV) and FICO. Accordingly, the lender would also need a mortgage insurance rate structure that aligns with this.

In this example, a lender that transitions fully to our RateStar program will have difficulties operationalizing the RateStar structure for LPMI single. We would like to offer the lender the option to select either RateStar or the Standard Rate Schedule (i.e., Rate Card) based on the payment option (e.g., LPMI single or BPMI monthly). In no instance, will a lender be allowed to select between the RateStar and Rate Card rate within each payment option. For example, if a lender selects RateStar for their BPMI monthly loans, we will only provide them a RateStar rate. Similarly, if they select rate card for their LPMI single loans, we will only provide them a rate card rate. Arch MI itself does not impose any eligibility criteria regarding its lender-customers' selection of one program over the other.

It is important that we offer both programs so that our lender-customers may choose the program that best fits their operational systems and business needs and so that we may continue to serve the full spectrum of home mortgage lenders.

Impact

This filing will have no premium impact on existing insureds because these options are not currently available to our lender-customers.

Effective Date

We request an effective date of May 18, 2018 for this submission.

Supplemental Exhibits

The following supplemental exhibits are included for your information.

Exhibit A	Development of Permissible Loss and LAE Ratio
Exhibit B	Development of Target Underwriting Profit and Contingencies Provision
Exhibit C	Development of Premium to Equity Ratio
Exhibit D	Development of Investment Income Yield
Exhibit E	Nationwide Expense Experience
Exhibit F	Investment Earnings on UEPR and Loss Reserves
Exhibit G	Development of Reserve to Incurred Ratio
Exhibit H	Five Year Premium and Loss Exhibit

Exhibit A

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Development of Permissible Loss & LAE Ratio

			Provision (% of Premium)
(1)	Commission and Brokerage	(Exhibit E)	0.0%
(2)	Other Acquisition Expenses	(Exhibit E)	13.4%
(3)	General Expenses	(Exhibit E)	16.9%
(4)	Taxes, Licenses and Fees	(Exhibit E)	2.5%
(5)	Underwriting Profit and Contingencies	(Exhibit B)	29.0%
(6)	Subtotal	Σ (1)-(5)	61.7%
(7)	Permissible Loss and LAE Ratio	(8) - (6)	38.3%
(8)	Total		100.0%

Notes:
(1) - (4) are based on nationwide expense experience.
(1), (4) are percentages to written premium.
(2), (3) are percentages to earned premium.
(4) does not include Federal Income Taxes.
(5) includes the statutory contingency reserve requirement.

Exhibit B

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Development of Target Underwriting Profit and Contingencies Provision

(1)	Target After-Tax Return on Equity		13.0%
(2)	Investment Return on Equity	(Exhibit D)	2.2%
(3)	After-Tax Return on Operations as Percentage of Equity	(1) - (2)	10.8%
(4)	Target Ratio of Premium to Equity	(Exhibit C)	41.5%
(5)	Operating Profit as Percentage of Premium (After-Tax)	(3) / (4)	26.1%
(6)	Investment Income on Policyholder Funds (After Tax)	(Exhibit F)	3.4%
(7)	Target After-Tax Underwriting Profit	(5) - (6)	22.7%
(8)	Marginal Tax Rate		21.0%
(9)	Indicated Pre-Tax U/W Profit and Contingencies Provision	(7) / [1 - (8)]	28.8%
(10)	Selected Pre-Tax U/W Profit and Contingencies Provision		**29.0%**

Exhibit C

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Development of Premium to Equity Ratio

	(1)	(2)	(3)	(4)	(5)
Calendar Year	**Direct Premium Written** (Sch T, Col 1)	**Statutory Surplus** (Pg 3, Line 37)	**Contingency Reserve *** (Pg 3, Line 2501)	**Adjusted Surplus** (2) + (3)	**Premium to Equity** (1) / (4)
2009	914,940,670	1,291,026,261	268,285,163	1,559,311,424	58.7%
2010	818,401,728	1,501,397,910	220,515,347	1,721,913,257	47.5%
2011	846,402,761	1,286,220,734	489,364,313	1,775,585,047	47.7%
2012	916,301,328	1,632,763,241	136,887,845	1,769,651,086	51.8%
2013	1,093,741,837	1,765,991,333	276,852,346	2,042,843,679	53.5%
2014	1,068,392,515	1,700,573,287	648,356,994	2,348,930,281	45.5%
2015	1,153,080,433	1,819,241,570	1,021,426,069	2,840,667,639	40.6%
2016	1,106,474,844	1,695,311,138	1,376,368,656	3,071,679,794	36.0%
2017	1,078,877,678	1,541,191,499	1,842,595,240	3,383,786,739	31.9%

Selected Premium to Equity Ratio **41.5%**

* Mortgage insurers are required by law to hold 50% of earned premiums as a liability on the balance sheet for a period of 10 years. This contingency reserve is available to pay losses if statutorily defined loss thresholds are exceeded.

Source:
Annual Statement

Exhibit D

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY

Development of Investment Income Yield

Historic Yield (Pre-Tax)

Calendar Year	(1) Net Investment Income Earned (Pg 4, Line 9)	(2) Cash & Invested Assets (Pg 2, Line 12)	(3) Avg. Assets Available For Investment (Avg last two (2))	(4) Average Rate of Return (1) / (3)
2009	103,863,101	3,269,781,848	3,046,907,174	3.4%
2010	99,818,053	2,949,102,318	3,109,442,083	3.2%
2011	94,154,737	2,974,709,227	2,961,905,773	3.2%
2012	80,039,006	3,329,418,967	3,152,064,097	2.5%
2013	85,706,454	3,513,551,240	3,421,485,104	2.5%
2014	102,762,081	3,785,647,990	3,649,599,615	2.8%
2015	116,492,912	4,258,063,091	4,021,855,541	2.9%
2016	117,533,292	4,025,648,880	4,141,855,986	2.8%
2017	78,461,603	4,154,490,829	4,090,069,855	1.9%
			Selected Return	**2.6%**

Source:
Annual Statement

Adjustment for Federal Income Tax on Investments

Asset Type	Asset Distribution	Tax Rate
Taxable	80.0%	21.0%
Non-Taxable	20.0%	0.0%
Total	**100.0%**	**16.8%**

Expected After Tax Rate of Return = 2.6% * (1 - 16.8%) = **2.2%**

Exhibit E

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Nationwide Expense Experience

Calendar Year	(1) Direct Premium Written (IEE, Pt 3, Col 1)	(2) Commission & Brokerage Expenses (IEE, Pt 3, Col 23)	(3) Commission Ratio (2) / (1)	(4) Taxes, Licenses & Fees (IEE, Pt 3, Col 25)	(5) Tax Ratio (4) / (1)
2009	914,941,000	0	0.0%	22,765,000	2.5%
2010	818,402,000	0	0.0%	20,073,000	2.5%
2011	846,404,000	0	0.0%	18,861,000	2.2%
2012	916,302,000	0	0.0%	21,030,000	2.3%
2013	1,093,741,000	0	0.0%	26,141,000	2.4%
2014	1,068,392,000	0	0.0%	27,905,000	2.6%
2015	1,153,080,000	0	0.0%	27,909,000	2.4%
2016	1,106,475,000	0	0.0%	27,543,000	2.5%
2017	1,078,878,000	0	0.0%	26,300,000	2.4%
		Selected Expense Ratios	**0.0%**		**2.5%**

Calendar Year	(6) Direct Premium Earned (IEE, Pt 3, Col 3)	(7) Other Acquisition Expenses (IEE, Pt 3, Col 27)	(8) Acquisition Ratio (7) / (6)	(9) General Expenses (IEE, Pt 3, Col 29)	(10) General Ratio (9) / (6)
2009	920,869,000	54,753,000	5.9%	54,032,000	5.9%
2010	815,058,000	65,568,000	8.0%	43,400,000	5.3%
2011	771,689,000	92,528,000	12.0%	56,178,000	7.3%
2012	737,196,000	131,207,000	17.8%	51,599,000	7.0%
2013	847,605,000	139,730,000	16.5%	54,614,000	6.4%
2014	938,805,000	133,412,000	14.2%	168,636,000	18.0%
2015	1,041,204,000	136,951,000	13.2%	156,520,000	15.0%
2016	1,124,834,000	143,097,000	12.7%	184,107,000	16.4%
2017	1,156,998,000	119,726,000	10.3%	209,035,000	18.1%
		Selected Expense Ratios	**13.4%**		**16.9%**

Source:
Insurance Expense Exhibit, Part III (Direct).

Exhibit F

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Estimated Investment Earnings on
Unearned Premium Reserves and Loss Reserves
(Nationwide Data)

A. Unearned Premium Reserve			
(1) Direct Earned Premium for Calendar Year ending December 31, 2017			1,156,998,860
(2) Mean Unearned Premium Reserve			452,085,167
(3) Percentage Total of Prepaid Expense			
a. Commission and Brokerage	(Exhibit E)	0.0%	
b. 50% of Other Acquisition Cost	(Exhibit E)	6.7%	
c. 50% of General Expense	(Exhibit E)	8.4%	
d. Taxes, Licenses and Fees	(Exhibit E)	2.5%	
e. Total		17.6%	
(4) Dollar Total of Prepaid Expense	(2) x (3e)		79,566,989
(5) Subject to Investment	(2) - (4)		372,518,178
B. Delayed Remission of Premiums			331,388,399
C. Expected Loss and Loss Adjustment Reserve			
(1) Permissible Loss Ratio	(Exhibit A)		0.383
(2) Expected Incurred Loss and Loss	(1) x (A.1)		443,002,053
(3) Reserve to Incurred Ratio	(Exhibit G)		3.978
(4) Expected Loss and Loss Adjustment Reserve	(2) x (3)		1,762,362,003
D. Net Subject to Investment	(A.5) - (B) + (C.3)		1,803,491,781
E. Average Rate of Return on Investment Assets (After Tax)	(Exhibit C)		2.2%
F. Investment Earnings on Net Subject to Investment	(D) x (E)		38,932,689
G. Ratio of Investment Earnings to Earned Premium	(F) / (A.1)		**3.4%**

Exhibit G

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Development of Nationwide Reserve to Incurred Ratio

Calendar Year	(1) Direct Loss Reserve at Year-End (Sch T, Col 7)	(2) Average Reserve (Avg last two (2))	(3) Direct Incurred Loss (Sch T, Col 6)	(4) Reserve to Incurred Ratio (2) / (3)
2009	4,364,496,433	3,548,764,725	2,197,257,317	1.62
2010	3,366,525,560	3,865,510,997	487,425,584	7.93
2011	2,714,895,651	3,040,710,606	841,576,988	3.61
2012	1,742,482,703	2,228,689,177	737,402,591	3.02
2013	1,285,941,727	1,514,212,215	554,009,207	2.73
2014	1,002,044,109	1,143,992,918	286,129,496	4.00
2015	762,564,514	882,304,312	191,547,318	4.61
2016	584,291,322	673,427,918	139,789,595	4.82
2017	464,968,940	524,630,131	140,420,449	3.74

Selected Reserve to Incurred Ratio **3.98**

Source:
Schedule T

Exhibit H

UNITED GUARANTY MORTGAGE INDEMNITY COMPANY
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY
ARCH MORTGAGE INSURANCE COMPANY
ARCH MORTGAGE GUARANTY COMPANY
Calendar Year* Premium & Loss Experience Exhibit (000 omitted)

	2013		2014		2015		2016		2017		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Direct Premium Earned	847,070	100%	938,398	100%	1,040,862	100%	1,123,830	100%	1,156,998	100%	5,107,158	100%
2. Direct Losses Incurred	553,965	65%	286,116	30%	191,507	18%	139,548	12%	140,420	12%	1,311,556	26%
3. Loss Adj. Expenses Incurred	22,173	3%	7,383	1%	8,839	1%	12,070	1%	-15	0%	50,450	1%
4. Loss & Loss Expense Incurred (2, 3 & 4)	576,138	68%	293,499	31%	200,346	19%	151,618	13%	140,405	12%	1,362,006	27%
5. Direct Premium Written	1,093,325	100%	1,068,068	100%	1,152,800	100%	1,104,014	100%	1,078,878	100%	5,497,085	100%
6. Commission & Brokerage	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Other Acquisition, Field Supervision &												
7. Collection Expenses	139,719	13%	133,410	12%	136,947	12%	142,703	13%	119,726	11%	672,505	12%
8. General Expenses	53,670	5%	168,064	16%	156,139	14%	183,609	17%	209,035	19%	770,517	14%
9. Taxes, Licenses & Fees	26,060	2%	27,783	3%	27,829	2%	27,407	2%	26,300	2%	135,379	2%
10. Total Expenses (7 to 10)	219,449	20%	329,257	31%	320,915	28%	353,719	32%	355,061	33%	1,578,401	29%
11. Combined Loss & Expense Ratio (5 & 11)	795,587	88%	622,756	62%	521,261	47%	505,337	46%	495,466	45%	2,940,407	55%

* Annual Statement figures